

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FI-2545

For: State and County Offices

Final Instructions for 1995 Deficiency Overpayments

Approved by: Acting Deputy Administrator, Management

Dennis J. Taitano

1 Overview

A

Background

Provisions of the 1996 Farm Bill prevented FSA from pursuing collection of unearned 1995 crop year deficiency overpayments other than by offset of Agricultural Market Transition Act (AMTA) payments due producers from 1996 through 2002. USDA could take no other action to collect the debt until the AMTA program expired. With the expiration of the AMTA program this year, USDA is now actively pursuing collection of unearned 1995 deficiency overpayments that have not been refunded.

The Debt Collection Improvement Act of 1996 (DCIA) requires timely and efficient collection of all debts owed to the Federal Government.

B

Purpose

This notice advises field offices that all 1995 deficiency overpayments remaining in receivable status must be transferred to claim status.

Disposal Date

October 1, 2003

Distribution

State Offices; State Offices relay to County Offices

Notice FI-2545

2 Action

A

Due Process

All offices shall send a copy of the letter in Exhibit 1 to producers with outstanding 1995 overpayment debts no later than October 1, 2002, to ensure that due process has been given. Any balance due after 30 calendar days shall be transferred to KCFO for collection action. The letter:

- offers the opportunity to resolve debts through payment arrangement
 - provides all necessary due process notification
 - explains how late payment interest will accrue.
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B

Transferring Claims to KCFO

Transfer claims to KCFO for further handling, if the debt is not paid within 30 calendar days. See Exhibit 2 for resolution of these claims and to change the demand letter date. See Exhibit 3 for current transfer procedures.

C

Contact

For further assistance contact 1 of the following KCFO employees:

- Robin Crouthamel at 816-926-1613
 - Gary Don Reynolds at 816-926-1397
 - Julianna Young at 816-926-6329.
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Due Process Letter for Producers With Outstanding 1995 Overpayment Debts

County Offices shall send this letter by October 1, 2002, to producers with outstanding 1995 overpayment debts.

Name
Address

Date

Dear [Producer Name]:

Final Agricultural Market Transition Act (AMTA)/Production Flexibility Contracts (PFC) payments have been issued. There is a balance due CCC on your 1995 crop Year Deficiency Overpayment which can no longer be offset from AMTA payments.

Please pay your debt now. Make your check payable to "Commodity Credit Corporation" and send payment to this office at the above address. Late payment interest will accrue on your debt at the rate of ____ percent per annum from the date of this letter until the debt is paid or otherwise resolved. FSA will waive late payment interest on your debt (or any part of your debt) that is paid in the next 30 calendar days. An additional 3 percent will be assessed on the unpaid balance of the debt retroactively from the date of this letter, if this matter is not resolved within 90 calendar days from the date of this letter. You may qualify to establish a mutually acceptable written repayment agreement and pay in installments, if you are unable to pay the debt in full now. To find out if you qualify for installment payments, submit a written request to this office and include information about your income, expenses, assets, and liabilities.

A claim will be established, and transferred to the Kansas City Finance Office (KCFO) for further handling, if the debt is not paid within the next 30 calendar days. KCFO will refer the delinquent debt to the Department of Treasury for collection and inclusion in the Treasury Offset Program (TOP). The Department of Treasury will collect the debt by offset of eligible Federal payments, including any federal income tax refund and Social Security benefits, to which you may be entitled. Information about this debt including your name, address, taxpayer identification number, debt amount, date of delinquency, debt status, history of the debt, and the program under which the debt arose may be disclosed to credit reporting agencies. Further actions may be taken by this Agency and the Department of Treasury to collect the delinquent debt if it is not resolved. The collection actions are authorized under Federal law and regulations, including the Debt Collection Improvement Act of 1996 (DCIA). Additional actions that may be taken to recover the debt include:

- assessment of interest, administrative costs, and penalties
- offset of CCC and FSA payments
- administrative garnishment of wages
- referral of the debt to private collection agencies and Treasury-designated collection centers
- referral of the debt to Agency counsel or the Department of Justice for legal action.

Our records do not indicate that you have filed for bankruptcy protection. If you have filed for bankruptcy please notify this office as soon as possible so that we may update our records to reflect the bankruptcy, and proceed to resolve this debt in accordance with bankruptcy procedures.

Please contact this office at _____ if you have any questions. Thank you in advance for your cooperation in this matter. Please disregard this letter if the debt has been resolved.

Sincerely,

County Executive Director

Resolving 1995 Overpayment Claims

A 1995 Overpayment Receivable Resolution

County Offices shall resolve 1995 overpayment receivables according to this table.

Step	Action
1	Send due process letter (Exhibit 1) to producers.
2	Record the letter date as 1st demand letter date if a date is not already in the system.
3	Change 1st demand letter date, if one is already in the system, to the date of the letter (Exhibit 1). See subparagraph B for instructions.
4	Transfer the receivable to claim 30 calendar days after the date of the letter.
5	Transfer the claim to KCFO according to procedure in Exhibit 3.

B Changing Demand Letter Date

Follow procedure in this table to change the demand letter date.

Step	Action
1	From Receivable Main Menu AQK000, select option "7", "Prepare Demand Letters", and PRESS "Enter". Screen AQK600 will be displayed.
2	On Screen AQK600, select option "3", "Record Manually Prepared First Demand Letter", and PRESS "Enter". Screen AQK01101 will be displayed.
3	On Screen AQK01101, enter producer ID and ID Type, and PRESS "Enter". Screen AQK01104 will be displayed.
4	On Screen AQK01104, verify producer and PRESS "Enter". Screen AQK63201 will be displayed.
5	On Screen AQK63201, place an "X" in the "Sel (X)" column by the selected receivable. Use the "Tab" key to move to " Row No. For Inquiry " and enter row number. Enter a "P" in " Type of Inquiry ", and PRESS "Enter". Screen AQK01201 will be displayed.
6	On Screen AQK01201, PRESS "Enter". Screen AQK63201 will be displayed.
7	On Screen AQK63201, PRESS "Enter". Screen AQK63401 will be displayed.
8	On Screen AQK63401, enter a new date in the "Change Demand Letter Date" field, and PRESS "Enter".

Transferring Claims to KCFO

**A
Transfer
Procedures**

County Offices shall transfer claims by selecting:

- option 5, “Transfer a Claim”, on Claims Primary Selection Menu AVA001
- option 1, “Transfer a Claim to Another Office”, on Claims Transfer Menu AVA040. This process will automatically queue and transmit files to Kansas City or another appropriate office during end-of-day as follows:
 - transfer from a County Office to another County Office - SSCCCAUI3 and SSCCCAUI5
 - transfer from a County Office to a State Office or KCFO, Debt Management Division (DMD) - SSCCCAUI4 and SSCCCAUI6.

State Offices shall transfer claims by selecting:

- option 5, “Transfer a Claim”, on Claims Primary Selection Menu AVF001
- option 1, “Transfer a Claim to Another Office”, on Claims Transfer Menu AVF040. This process will automatically queue and transmit files to Kansas City or another appropriate office during end-of-day as follows:
 - transfer from a State Office or KCFO, DMD to another State Office or KCFO, DMD - SSCCCAUI4 and SSCCCAUI6
 - transfer from a State Office or KCFO, DMD to a County Office - SSCCCAUI3 and SSCCCAUI5.

Claims transferred to DMD should be transferred to office 80-000. This daily transmission will eliminate the need for preparing and mailing a transfer tape.

**B
FAX Claim
Documents**

It is no longer necessary for County Offices to photocopy and mail contents of claim files. For claims transferred to KCFO:

- FAX the claim documents to the DCB Imaging System at 816-823-4240

Note: Do not mail paper documents.

- attach a cover sheet listing the producer’s name and claim number to each claim that is FAXed. Provide a contact name and telephone number on the cover sheet. Send a separate FAX for each claim.

Continued on the next page

Transferring Claims to KCFO (Continued)

B**FAX Claim Documents (Continued)**

Claim file documents for claims transferred to other County Offices will continue to be photocopied and mailed.

Note: Claim file documents shall be FAXed immediately after the claim is transferred on Automated Claims System.

The following documents shall be FAXed to KCFO, DMD, or photocopied and mailed to another County Office:

- signed program contract, worksheets, and settlement statements proving the basis of the debt and the claim amount
- initial notification letter
- first demand letter
- second demand letter, if one was mailed
- Detail Claim Information Report
- all correspondence to and from the debtor
- promissory note, if applicable
- FSA-671 transmittal for the transfer

Note: Do not FAX any other FSA-671's.

- all documents and correspondence about appeals, disputes, legal action, and Department of Justice and OGC involvement.
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